

Study Guide Score. . . 31      Name \_\_\_\_\_

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Your Score. . . . .



**CHAPTER 5**

# Business in Our Economy

## STUDY GUIDE

### **PART I**

*Directions:* In Column 3 write the letter of the term in Column 1 that identifies the business activity shown in Column 2.

COLUMN 1	COLUMN 2	COLUMN 3	For Scoring
A. extractor	1. soybean farm in Iowa . . . . .	_____	1. _____
B. manufacturer	2. ceramics plant in Branson . . . . .	_____	2. _____
C. marketer	3. oil well in Michigan . . . . .	_____	3. _____
D. service business	4. jeans factory in Ohio . . . . .	_____	4. _____
	5. college campus laundromat . . . . .	_____	5. _____
	6. salmon fishing in Alaska . . . . .	_____	6. _____
	7. guitar school in Memphis . . . . .	_____	7. _____
	8. women's fashion boutique . . . . .	_____	8. _____
	9. automobile assembly plant . . . . .	_____	9. _____
	10. newsstand in your town . . . . .	_____	10. _____

### **PART II**

*Directions:* An important term has been omitted from each sentence in Column 1. In Column 2 write the word or words needed to complete each sentence in Column 1.

COLUMN 1	COLUMN 2	For Scoring
1. Building a unique product for one customer is done with (?) . . . . .	_____	1. _____
2. With (?) a large number of identical products are assembled using a continuous, efficient procedure. . . . .	_____	2. _____
3. (?) changes the form of materials so they can be consumed or used to manufacture other products. . . . .	_____	3. _____

### PART III

*Directions:* In Column 3 write the letter of the term in Column 1 that identifies the business activity shown in Column 2.

COLUMN 1	COLUMN 2	COLUMN 3	For Scoring
A. generating ideas	1. putting fruit from a truck into one- and three-pound bags .....	_____	1. _____
B. raising capital	2. applying for a loan .....	_____	2. _____
C. buying goods and services	3. advertising in a newspaper for accounting clerks .....	_____	3. _____
D. using human resources	4. ordering steel for making cabinets .....	_____	4. _____
E. marketing goods and services	5. ordering computer paper .....	_____	5. _____
F. producing goods	6. serving a new brand of cookie to customers in supermarkets and asking for opinions .....	_____	6. _____
G. keeping records	7. melting aluminum for shaping into beverage cans .....	_____	7. _____
	8. obtaining a loan to expand a factory .....	_____	8. _____
	9. coming up with new products that appeal to teenagers .....	_____	9. _____
	10. determining whether there is a profit or loss ..	_____	10. _____

### PART IV

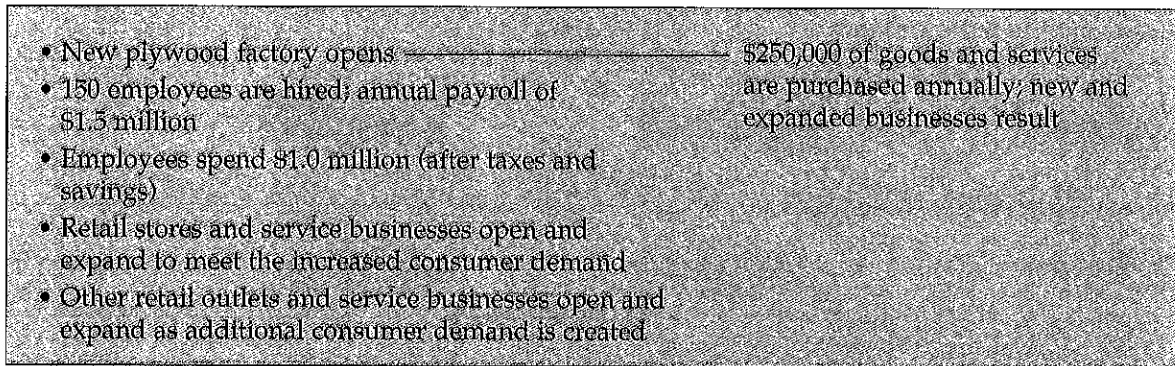
*Directions:* Unscramble the following words that were used in Chapter 5.

1. v i r s e c e
2. x t t e a r c r o
3. k m t e a r e r
4. r s c o d e r
5. t p c l a i a
6. r o u e r s s e c
7. t p a i m c
8. s i e a d

## ACTIVITIES

### Applying Critical Thinking Skills

You have learned that a new business in a community brings with it many benefits. As new workers earn money and buy goods and services, the demand for those goods and services increases. Some businesses expand and some new businesses are established. The diagram below shows the impact on the economy when a new plywood factory opens in the community.



You can see from this diagram how a community benefits when a new business opens. But, what happens when a business closes its doors? What is the reverse impact on a community? List three ways in which the community above would be impacted if the plywood factory went out of business.

1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Applying Information

Nelson Armstrong conducted a survey and found that people wanted a pickup-and-delivery laundry service. To get started in business, he used \$3,000 of his savings and got a loan for \$8,000. He purchased a truck, some large laundry bags, some office supplies, and accounting software for his computer. He passed out flyers explaining his new business in some apartment complexes and a college dorm. He was efficient, did good work, and delivered on time. He got so many customers he had to hire two part-time helpers. He then also added a service his customers wanted: ironing and pressing. He analyzed his income and expenses and found that he was making a very nice profit.

In Column 1, list the business activities that Nelson performed. In Column 2, write the actions that Nelson took to accomplish those activities.

COLUMN 1 Business Activity	COLUMN 2 Action Taken
1. _____	1. _____ _____
2. _____	2. _____ _____
3. _____	3. _____ _____
4. _____	4. _____ _____
5. _____	5. _____ _____
6. _____	6. _____ _____
7. _____	7. _____ _____

Name \_\_\_\_\_

### Developing Critical Thinking Skills

Generating ideas is an important business function. It is the basis for starting new businesses as well as expanding operations of existing businesses. There generally are many opportunities for new business ventures in any community. Look around your community, talk with your friends, and think about wants and needs that are going unmet—they are the bases for new business!

On the lines below, write three ideas for new business ventures in your community. They do not have to be *practical* at this point; even “far-out” ideas can lead to successful business ventures.

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_

C

C

C

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Your Score. . . . .



## CHAPTER 6

# Business Structures

## STUDY GUIDE

### PART I

*Directions:* Indicate whether each statement below is correct or incorrect by placing a check mark on the line under *true* or *false* at the right.

	TRUE	FALSE	For Scoring
1. The size and nature of a business and the responsibilities of the owners are key factors in choosing the best type of business ownership and organization. . . . .	_____	_____	1. _____
2. You must own more than one share of stock in order to be one of the owners of the corporation. . . . .	_____	_____	2. _____
3. A sole proprietor issues stock certificates to represent part ownership in the business. . . . .	_____	_____	3. _____
4. The part of corporate profits each stockholder receives is called a dividend. . . . .	_____	_____	4. _____
5. Articles of partnership should not state the manner in which profits and losses are to be shared by the owners. . . . .	_____	_____	5. _____
6. A corporation elects a board of directors to make major decisions for the business. . . . .	_____	_____	6. _____
7. Most consumers' cooperatives sell to nonmembers as well as to members. . . . .	_____	_____	7. _____
8. The franchise agreement states the duties and rights of the operator of the franchise and of the parent company. . . . .	_____	_____	8. _____
9. The organizing process can result in an organization chart being drawn up. . . . .	_____	_____	9. _____
10. Effective leaders have to prod workers to perform their jobs. . . . .	_____	_____	10. _____

### PART II

*Directions:* The activities of managers can be classified into five functions. In Column 3 below, write the letter of the function in Column 1 that is described in Column 2.

COLUMN 1	COLUMN 2	COLUMN 3	For Scoring
A. Planning	1. interviewing applicants for a job . . . . .	_____	1. _____
B. Organizing	2. checking quality of toasters on an assembly line . . . . .	_____	2. _____
C. Staffing	3. thinking about where the firm should be in five years . . . . .	_____	3. _____
D. Leading	4. listing tasks to be performed on the job . . . . .	_____	4. _____
E. Controlling	5. assigning jobs to workers . . . . .	_____	5. _____
	6. deciding what percentage of sales increase the firm should aim for . . . . .	_____	6. _____
	7. conducting a performance appraisal interview with an employee . . . . .	_____	7. _____

8. directing the work of people so that work is done right and on time . . . . . \_\_\_\_\_
9. comparing the current year's profit with the goal that was set . . . . . \_\_\_\_\_
10. using good human relations and communication skills . . . . . \_\_\_\_\_

8. \_\_\_\_\_  
9. \_\_\_\_\_  
10. \_\_\_\_\_

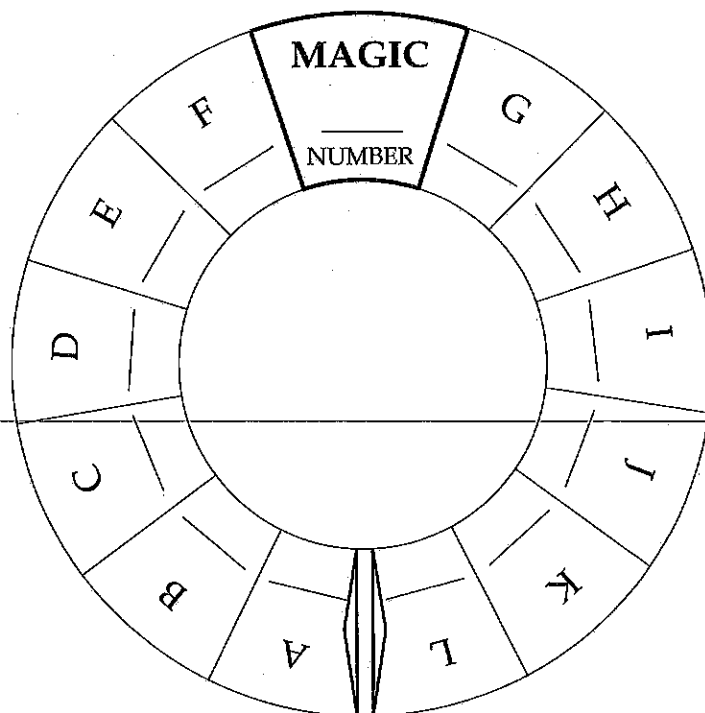
### PART III

*Directions:* Below is a list of twelve terms used in Chapter 6. Each term has a value shown by the number beside it. To find the magic number (answer) for the puzzle below, follow these instructions:

- Read each definition.
- Select the term that defines it.
- Find the space on the "Wheel of Magic Numbers" that matches the definition.
- Write the number (or value) of the definition in that space.
- Add all of the numbers on the right side of the wheel.
- Add all of the numbers on the left side of the wheel.
- If you have matched each term with its definition and entered the correct number, your two totals will be the same—that is, they will match the number shown in the "Magic Number" space.

- |                               |                                  |
|-------------------------------|----------------------------------|
| 1. municipal corporation      | 7. franchisor                    |
| 2. cooperative                | 8. consumers' cooperative        |
| 3. corporation                | 9. articles of partnership       |
| 4. dividend                   | 10. certificate of incorporation |
| 5. stockholder or shareholder | 11. sole proprietorship          |
| 6. franchise                  | 12. board of directors           |

- A. A written agreement made by partners in forming their business.
- B. A group of people elected by stockholders to guide a corporation.
- C. A person who owns stock in a corporation.
- D. An incorporated town or city.
- E. An organization of consumers who buy goods and services together.
- F. The part of the profits of a corporation that each stockholder receives.
- G. The parent company that grants permission to a person or group to sell its products or services.
- H. A business that is owned by the members it serves and is managed in their interest.
- I. A business owned by one person.
- J. A business made up of a number of owners but authorized by law to act as a single person.
- K. A written contract granting permission to sell someone else's product or service in a prescribed manner, over a certain period of time, and in a specified area.
- L. A document, generally issued by a state government, giving permission to start a corporation.





Name \_\_\_\_\_

## ACTIVITIES

### Applying Math Skills

Judy Barnes, Toni Delano, and Jake Nusbaum formed a corporation with a beginning investment of \$300,000.

1. How many shares of stock with a value of \$25 would have to be sold to provide this amount? \_\_\_\_\_
2. How many shares could Judy buy for \$160,000? \_\_\_\_\_
3. How much would Toni have to pay for 500 shares? \_\_\_\_\_
4. If Jake bought the remaining shares, how many would he own? \_\_\_\_\_

### Applying Information

A franchise is a contract to sell certain goods or services within a given area, for a specified period of time, and in a prescribed manner. In a recent year there were more than 499,000 franchise businesses operating in the United States. The most familiar type of franchise is a business owned by an individual who operates it as part of a national chain of businesses. When you buy your favorite fast-food hamburger or soft ice cream, you are probably buying from one of these franchises.

In the column on the left list at least five different types of franchised businesses in your community from which you make purchases. Then indicate the products or services the franchises provide in the column on the right. The first item is given as an example.

NAME OF BUSINESS	PRODUCT OR SERVICE
0. <b>Example:</b> <i>Holiday Inn, Super 8</i>	0. <i>motels, restaurants</i>
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____

### Applying Critical Thinking Skills

Listed below are some characteristics of the way businesses are organized or conduct their affairs. Place a check mark in the column that identifies the type of business to which the characteristic belongs. Some may apply to more than one type of business.

Characteristics	Sole Propri- etorship	Partner- ship	Corpo- ration	Coop- erative	Fran- chise
1. The owner is the boss and makes all of the decisions.					
2. Owner(s) cannot start business unless approved by the state.					
3. May be owned by thousands of different people.					
4. Owner or owners receive all of the profits and are responsible for debts of other owners.					
5. One of the owners may be personally responsible for debts of other owners.					
6. Considered the best type for raising large amounts of capital.					
7. Profits distributed in the form of dividends according to the number of shares owned.					
8. The business is managed by a board of directors.					
9. The parent company often advertises for all of the operators throughout the country.					
10. Pays an annual refund to members only.					
11. Each owner has one vote for each share of stock.					
12. Organized to buy things for members as well as to sell goods and services to members.					
13. Each owner has only one vote regardless of number of shares she or he owns.					
14. The owners are not liable for the firm's debts.					
15. The operator pays a percentage of sales or a set fee to a parent company.					

Name \_\_\_\_\_

**Analyzing Information**

The following coded message has been prepared using a "Leap Frog" code. (The name of this code is a clue to solving it.) A statement about shareholders is found in the message. After solving the code, write out the message on the lines below. There are no spaces between the words in the coded message, and there is no punctuation.

XABBYOMUSTETTHYIMRBTVYDPEESRWCQEANVTNOMFPSOHMAJRLECHDOWLQDAEFRJSMH  
BOVLCDXTSHDEFIHRKSLTPOOCLKYCJEMRDT CIVFBIGCFARTEEWSSTQHZEBOMTLHPEORISD  
HFAHVKEETSHQEAIWRCSXHZADRGENSEMOLFPSOTIOBCMKFHGEBLMDOBUYRBTRYOFKCESRX  
SAIQNESDTCRXEBENTLNDARMTEB

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C

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C)

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Your Score. . . . . \_\_\_\_\_



**CHAPTER 7**

# Manager as Leader

## STUDY GUIDE

### PART I

*Directions:* Indicate whether each statement below is correct or incorrect by placing a check mark on the line under *true* or *false* at the right.

	TRUE	FALSE	For Scoring
1. Leadership skills can be developed before you become a manager. .	_____	_____	1. _____
2. Characteristics of a good leader include initiative, dependability, objectivity, and stability. . . . .	_____	_____	2. _____
3. One responsibility of a manager is to make sure employees use the business resources effectively. . . . .	_____	_____	3. _____
4. Effective leaders are able to motivate employees to work together to complete the goals of the business. . . . .	_____	_____	4. _____
5. Managers can use position influence to get employees to accomplish work. . . . .	_____	_____	5. _____
6. The tactical leadership style is most effective when workers are experienced and have adequate planning time to complete a work assignment. . . . .	_____	_____	6. _____
7. A manager who is a good communicator rarely needs to be a good listener. . . . .	_____	_____	7. _____
8. Managers are not responsible if employees are dissatisfied with their work assignments. . . . .	_____	_____	8. _____
9. Team building skills help to improve the motivation and direction of the working teams within a business. . . . .	_____	_____	9. _____
10. Today, there are federal and state laws that govern the roles of business and unions. . . . .	_____	_____	10. _____

### PART II

*Directions:* Communications occur in many ways in businesses. The types and forms of communication described in the chapter are listed in Column 1. Demonstrate your understanding by circling the letter in Column 3 that corresponds to the appropriate type or form of communication described in Column 2.

COLUMN 1	COLUMN 2	COLUMN 3	For Scoring
Vertical (V) or Horizontal (H)	1. Manager walks to the next department to see that manager. . . . .	V or H _____	1. _____
	2. An employee e-mails her manager to ask for help. . . . .	V or H _____	2. _____
Internal (I) or External (E)	3. The on-site manager sends a letter to the home office manager. . . . .	I or E _____	3. _____
	4. A salesperson calls a dissatisfied customer. . . . .	I or E _____	4. _____

Formal (F) or Informal (I)	5. The personnel department sends written notices of new health benefits to all employees. ....	<u>F or I</u>	5. _____
	6. Employees overhear at lunch that the office is downsizing. ....	<u>F or I</u>	6. _____
Vertical (V) or Horizontal	7. A meeting is called by employees to update their manager. ....	<u>V or H</u>	7. _____
	8. The design work group schedules a videoconference with the training work group. ....	<u>V or H</u>	8. _____
Oral (O) or Written	9. Employees use a training manual during a training session. ....	<u>O or W</u>	9. _____
	10. Manager sends voice mail to team leaders. ....	<u>O or W</u>	10. _____

### PART III

*Directions:* Identify whether the description of a management activity is or is not an effective management practice by placing a check mark in the appropriate column.

Management Activity Description	Is	Is Not	For Scoring
1. The manager tells employees what to do and expects them to do it. ....	_____	_____	1. _____
2. The manager finds ways to meet individual employee needs as well as business needs. ....	_____	_____	2. _____
3. The manager is willing to make unpopular decisions. ....	_____	_____	3. _____
4. The manager treats all people as if they were the same. ....	_____	_____	4. _____
5. The manager uses formal communications and ignores informal communications. ....	_____	_____	5. _____
6. The manager recognizes that individual employees working alone will usually be more effective than employees working in groups. ....	_____	_____	6. _____
7. The manager is willing to regularly give employees dissatisfying assignments in order to get the work done. ....	_____	_____	7. _____
8. The manager works closely with informal leaders to gain their cooperation. ....	_____	_____	8. _____
9. The manager uses both tactical and strategic management styles. .	_____	_____	9. _____
10. The manager involves employees in decision-making. ....	_____	_____	10. _____

## **ACTIVITIES**

### **Applying Critical Thinking Skills**

Research states that most leaders possess certain character traits that make them successful as managers. Each of those leadership characteristics offers a unique value to employees. Below is a list of the characteristics that were discussed in the chapter. For each, develop a statement that describes how employees will benefit from that specific characteristic of their manager.

	How will employees benefit if their manager has this characteristic?
Understanding	_____
Initiative	_____
Dependability	_____
Judgment	_____
Objectivity	_____
Confidence	_____
Stability	_____
Cooperation	_____
Honesty	_____
Courage	_____
Communications	_____
Intelligence	_____

In your view, what is the most important characteristic and what is the least important characteristic of a successful leader? Provide reasons for your choices.

**Most Important Character Trait** \_\_\_\_\_

**Reason** \_\_\_\_\_

**Least Important Character Trait** \_\_\_\_\_

**Reason** \_\_\_\_\_

### Applying Information Skills

In order to be successful, managers must be able to influence individuals and groups of employees to complete the goals of the business. Check the box that describes the type of influence described in each situation.

Situation	Position	Reward	Expert	Identity
1. The manager brings an employee into the manager's office to present a new work assignment. ....	_____	_____	_____	_____
2. A well-respected member of the work group gives an endorsement for changing the procedure for completing the current work assignment. ....	_____	_____	_____	_____
3. Based on the experience of a long-time employee who has been involved in scheduling, the group members decide to change their decision concerning the completion dates for the project. ....	_____	_____	_____	_____
4. The manager allows employees to take a half-day off for attending a training session on Saturday. ....	_____	_____	_____	_____
5. The manager says the employees who volunteer to learn the new software program will be the first to be considered for a merit pay increase. ....	_____	_____	_____	_____

### Applying Writing Skills

Give three reasons that agree with, three reasons that do not agree with, and a concluding paragraph describing your personal belief for each statement.

1. Mentors must be good leaders.

Three reasons why you agree:

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Three reasons why you do not agree:

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Concluding paragraph:

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---

---

2. Anyone can be a manager.

Three reasons why you agree:

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---



Name \_\_\_\_\_

Three reasons why you do not agree:

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---

---

Concluding paragraph:

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3. Getting along with work group members is important in order to be a good leader.

Three reasons why you agree:

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Three reasons why you do not agree:

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Concluding paragraph:

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4. A mixed management leadership style is the most effective style to use in any business.

Three reasons why you agree:

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Three reasons why you do not agree:

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Concluding paragraph:

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### Applying Math Skills

Because of the nature of the business, each employee has been required to certify or re-certify in CPR training. Training times have been scheduled to accommodate the employees. In the past, employees were able to choose between three training days to complete the CPR certification. Because of the time constraints this year, one time period needs to be eliminated. The managers decided to involve the employees in deciding when to schedule training. Employees from all departments were asked to list the day of the week when they would prefer to complete the CPR training. The day that was least preferred would be eliminated. The results are shown in the table.

Department	Tuesday	Thursday	Saturday	Total Employees
Human Resources	5	10	8	
Marketing	7	5	10	
Finance	4	12	7	
Management	6	15	8	
Accounting	4	7	13	
Research	8	9	4	
Engineering	4	10	7	
Info. Technology	5	10	9	
Operations	20	20	26	
Customer Service	6	13	6	
<b>Total</b>				

Complete the chart by identifying the total number of employees in each department and the total number of employees who selected each of the training days.

1. How many employees will need to be trained by the company? .....
2. Which training date has the least number of employees? .....
3. What percent of the total number of employees preferred the Saturday training? .....
4. What percent of the total number employees preferred the Tuesday training? .....
5. Based upon your information, which days will be used for employee training? .....

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Your Score. . . . .



CHAPTER 8

# Producing and Marketing Goods and Services

## STUDY GUIDE

### PART I

*Directions:* Indicate whether each statement below is correct or incorrect by placing a check mark on the line under *true* or *false* at the right.

	TRUE	FALSE	For Scoring
1. There are seven marketing functions that must be completed in order for an exchange to occur. . . . .	_____	_____	1. _____
2. Businesses and consumers benefit because of marketing. . . . .	_____	_____	2. _____
3. Careful planning is needed to develop successful new products. . . .	_____	_____	3. _____
4. Marketing is the most visible business activity in the eyes of consumers yet is often the most misunderstood. . . . .	_____	_____	4. _____
5. Not everyone can be satisfied with the same product. . . . .	_____	_____	5. _____
6. Customers always want the lowest priced product. . . . .	_____	_____	6. _____
7. Sometimes the level of customer service provided by a business will influence a product's price. . . . .	_____	_____	7. _____
8. Most products are sold directly by the producer or manufacturer to the consumer. . . . .	_____	_____	8. _____
9. One of the 4 Ps of marketing is Process. . . . .	_____	_____	9. _____
10. Today most promotion is done through media advertising. . . . .	_____	_____	10. _____

### PART II

*Directions:* An important term has been omitted from each sentence in Column 1. In Column 2 write the word or words needed to complete each sentence in Column 1.

COLUMN 1	COLUMN 2	For Scoring
1. The path that brings products to a consumer is called the (?) . . . . .	_____	1. _____
2. An (?) channel of distribution uses one or more middle firms. . . . .	_____	2. _____
3. A business firm that sells directly to the consumer is a (?) . . . . .	_____	3. _____
4. A (?) buys products, sorts and unitizes them, and sells them to retailers. . . . .	_____	4. _____
5. When a producer sells its products directly to the consumer it is called a (?) channel of distribution. . . . .	_____	5. _____
6. (?) is what customers pay and the method of payment. . . . .	_____	6. _____

		For Scoring
7. A (?) is a clearly identified group of consumers to be satisfied. ....	_____	7. _____
8. The reasons for making a purchase are called (?). ....	_____	8. _____
9. (?) is direct, personal communication between a salesperson and a customer to encourage the purchase of a product. ....	_____	9. _____
10. The (?) considers the needs of customers when planning, pricing, distributing, and promoting a product or service. ....	_____	10. _____

### PART III

*Directions:* Indicate your answer to each of the following questions by placing a check mark on the line under *yes* or *no* at the right.

	YES	NO	For Scoring
1. Do most consumers have a positive view of marketing? .....	_____	_____	1. _____
2. Do most successful businesses adopt the marketing concept? .....	_____	_____	2. _____
3. Are most businesses unconcerned about customer needs when they develop their products and marketing activities? .....	_____	_____	3. _____
4. Is a marketing strategy an eight-step process? .....	_____	_____	4. _____
5. Are there 4 Ps of marketing? .....	_____	_____	5. _____
6. Could an independent trucking company be considered an intermediary? .....	_____	_____	6. _____
7. Is most promotion done through personal selling? .....	_____	_____	7. _____
8. Do consumers ever perform marketing activities? .....	_____	_____	8. _____
9. Are buying motives always based on logic? .....	_____	_____	9. _____
10. Can the number of businesses in a channel of distribution affect the price of a product? .....	_____	_____	10. _____

## ACTIVITIES

### **Applying Critical Thinking Skills**

To be effective, promotion must be noticed, encourage consumers to pay attention to the message, and result in them taking some type of action. For most people, advertising is one of the primary sources for information about products and services. Today, most promotion is done through media advertising.

Find and clip an advertisement from a current magazine or newspaper that promotes an item or service that you would like to purchase. Think about why this advertisement is effective in getting your attention and resulting in your decision to buy. Answer the questions below.

1. What product or service does the advertisement promote?

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2. Who is the target market?

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3. What buying motives would you have as reasons for making the purchase? Are these motives rational or emotional?

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4. Analyze and explain what it is about the advertisement itself that attracted your attention and made it stand out.

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### Applying Systems Skills

To develop a new product, a process is used to create and successfully market the item. The steps to be followed in developing a new product are described in Figure 8-2 in the textbook. Each of the following activities represents a step in the product development process. Put them in the correct order according to the new product development steps shown in Figure 8-2. Write a "1" beside the activity that would be completed first, a "2" beside the item that would be completed second, and so forth.

Step	Product Development Activity
_____	A building is remodeled to form an assembly line, storage for materials, and a small distribution center and office area. Equipment is ordered and 3 full-time and 8 part-time employees are hired and trained.
_____	A room is rented in a shopping mall where people are invited in to discuss several product ideas, look at sketches of possible designs, and record their reactions on a survey form.
_____	An accountant is hired to prepare budgets for all operations and to work with a marketing consultant to predict sales volume for the next three years.
_____	Thomas created a model of the product to show to his banker. He also took the model to a new products fair where it was examined by potential investors and a focus group of consumers.
_____	Bottles and squeegees will be purchased separately from two manufacturers according to the specifications developed by Thomas and his engineer. The parts will be assembled and packaged by Thomas' company. A wholesaler will distribute the products to auto supply and discount stores.
_____	Thomas Jervitch believes consumers would like a way to easily clean their auto windshields at any time. He has an idea for a small squeeze bottle of windshield cleaner with a squeegee attached that can be carried in the trunk of the car.

### Applying Business Knowledge

A target market is a group of consumers with very similar needs to whom a company can sell its products. Businesses carefully study consumers' wants and needs and their previous experience with products and services to identify the best target market. The column on the left lists examples of products that will fit the needs of a target market. The column on the right lists people in a particular target market. Match a product with the most appropriate target market by writing the letter of the target market you select in the blank space provided.

Answers	Products	Target Markets
_____	1. a new laptop computer with SAT software	a. a woman who attends business dinners
_____	2. a doll that cries and speaks 25 words	b. a man who hauls lumber to construction sites
_____	3. a 4-wheel-drive truck	c. a three-year-old child
_____	4. a tailored suit	d. a junior in high school
_____	5. the latest designer perfume	e. a college student saving money
_____	6. a back pack on sale	f. a teenage girl who reads <i>Glamour</i> magazine
_____	7. a video game system	g. a family of five with busy schedules
_____	8. a diamond engagement ring	h. a 14-year-old boy with a TV in his room
_____	9. a grill for the deck of your home	i. a home owner who entertains and enjoys outdoor activities
_____	10. a microwave oven	j. a man and woman who are planning to get married

**Applying Thinking and Information Skills**

Many people have a very narrow view of marketing and are not aware of the many activities that must be completed in order for products to be successfully exchanged between businesses and consumers. The following words have been scrambled. Each of the words when unscrambled is one of the marketing activities. Unscramble and correctly spell each word to identify the activities completed by marketers.

**BUSINESS**

suniirgn \_ \_ \_ \_ \_

gincrip \_ \_ \_ \_ \_

psonrattnigr \_ \_ \_ \_ \_

byguni \_ \_ \_ \_ \_

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**CUSTOMER**

On a separate sheet of paper, define each of the marketing activities. Use your own words rather than those in the chapter. Then find and clip an article from a current magazine or newspaper that describes how a company performed a marketing activity as it developed a new product or service, improved a marketing procedure, and/or responded to customer needs.

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